

Nurturing Interpersonal Trust for Knowledge-Intensive Work

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Executive Overview

Promoting effective knowledge transfer and learning is increasingly central to strategic success in today's knowledge-intensive economy. While research has consistently demonstrated that informal networks are critical to finding information and learning how to do one's work, to date we have less evidence of the features of interpersonal relationships important to these processes. We conducted surveys in three companies in different countries and consistently found that interpersonal trust enables effective knowledge transfer. Competence-based trust allows knowledge seekers to believe that a knowledge source knows what s/he is talking about and so compels them to learn from that person. Benevolence-based trust allows knowledge seekers to ask questions without fear of ridicule or damage to reputation and so learn sufficiently to apply new knowledge. Based on follow-up interviews with more than 40 managers in 20 organizations, we present six strategies for nurturing interpersonal trust: (1) highlight knowledge domain boundaries; (2) step out of your role at work when appropriate; (3) give away something of value; (4) welcome and help people refine uncertain or unclear ideas; (5) ensure that decisions are fair and transparent; and (6) hold people accountable for trust.

Nurturing Interpersonal Trust for Knowledge-Intensive Work

Today more than ever an organization's success hinges on its ability to create and share knowledge effectively and efficiently.¹ Initially, many executives set out to manage knowledge by implementing databases and organizational processes to capture and share re-usable work products and lessons learned.² For example, professional services firms developed substantial databases archiving methodologies, tools, presentations and other materials that could be quickly re-used in projects around the globe. Similarly, pharmaceutical organizations invested in content repositories to provide in-house scientists with relevant information, speed up regulatory processes and improve the productivity of sales and marketing staff. In these and many other industries, the allure of being able to bring to bear an organization's best thinking on a given problem led many to invest significantly in technologies and organizational infrastructures to store and make widely available codified knowledge. A recent survey by the analyst firm IDC estimated that demand for knowledge management technologies is anticipated to grow 41% annually from \$2.3 billion in 2000 to \$12.7 billion in 2005.³

Yet these investments have rarely had the intended impact. While databases (and staff to support them) have grown to mammoth proportions, they are often under-utilized as employees are much more likely to turn to peers and colleagues than impersonal sources for necessary knowledge.⁴ The result has been a "second wave" of knowledge management advice geared toward promoting effective collaboration and learning in strategically important groups.⁵ For example, organizations as varied as the World Bank, McKinsey and British Petroleum have begun to support communities of practice so that employees doing similar kinds of work can learn from one another.⁶ Alternatively, organizations from a wide range of industries are

applying social network analysis to help ensure that large, distributed groups are collaborating in ways that support strategic objectives.^{7 8}

Both applied and scholarly research have made it clear that relationships are critical for knowledge creation and sharing and that ineffective relationships can block knowledge transfer.⁹ But what might constitute an effective relationship in this context? Recent research suggests that knowledge transfer relies on “strong ties”—i.e., relationships characterized as close and by frequent interaction.¹⁰ However, this work does not clarify why these relationships are effective. We suggest that strong ties promote effective knowledge transfer because they tend to be trusting ones. Interpersonal trust creates conditions for learning such that a knowledge seeker can absorb and process new knowledge sufficiently to be able to take action.

Of course trust is an appealing concept and appears prominently in recent writing on social capital.¹¹ But it is also elusive and not clearly tied to the effectiveness of a given relationship for knowledge acquisition. For example, one skeptical senior manager indicated: “I think all the recent attention on social capital and trust is off the mark. People go to where they need to to get information regardless of whether they trust or like someone. I may not like or trust [someone he recently turned to]...but if I need to know something I am going to go ask him. My world moves too fast not to do this.” As a result, before suggesting that managers should develop trust to promote knowledge transfer, we set out to show that it really does matter. Over the past two years we have conducted research, ultimately engaging 20 well-known companies and government agencies, to understand both the role of interpersonal trust in knowledge transfer and how managers can nurture such trust in networks of employees. First, we used an egocentric network survey in three separate organizations and found that two kinds of trust—benevolence- and competence-based—play a central role in effective knowledge transfer.

In fact, our results were statistically the same in each of the three firms. With this established, we moved to a qualitative phase where we interviewed more than 40 managers in a wide range of organizations to better understand behaviors and aspects of an organization's context that influence a knowledge seeker's trust in a knowledge source. We will first review the survey results and then present six strategies managers can employ to promote trust that emerged from our qualitative work.

Interpersonal Trust and Knowledge Transfer

Across a wide variety of contexts, researchers have found that interpersonal trust is vital. It is the “social glue” that holds organizations together.¹² Mayer, Davis, and Schoorman (1995: p. 712), in their review of the literature, define trust as “the willingness of a party to be vulnerable” and identify several dimensions of perceived trustworthiness.¹³ Given our interest in promoting effective knowledge transfer, two of these trustworthiness dimensions—benevolence and competence—are particularly relevant. First, people are likely to rely on the benevolence of a knowledge source in determining the extent to which they are forthcoming about their own lack of knowledge. Second, knowledge seekers who trust a knowledge source's competence are more likely to listen to, absorb, and then take action on that knowledge source's advice.

Along with assessing the role of trust in promoting effective knowledge transfer, we were also interested in ways that shared vision and shared language—specific dimensions of social capital—might promote trust between a knowledge seeker and source. Nahapiet and Ghoshal (1998: p. 246) propose a cognitive dimension of social capital and suggest that it can lead to interpersonal trust.¹⁴ This cognitive dimension is likely to take one or both of two forms. First, some have suggested that shared vision constitutes an important form of social capital. For

example, Tsai and Ghoshal (1998: p. 466) indicate: “Common values and a shared vision, the major manifestations of the cognitive dimension of social capital, may also encourage the development of trusting relationships.”¹⁵ Second, this form of social capital might be reflected in shared language, thought worlds or a technical grammar.¹⁶ This work suggests that if we speak the same language and use the same jargon we are more likely to trust each other.

In addition to social capital, aspects of relationships and characteristics of knowledge sources are likely to affect trust. We assessed demographic similarity between a knowledge seeker and source given the longstanding finding that communication is more likely to occur between people who are demographically similar, and likelihood that homophily fosters trust and reciprocity.¹⁷ We also considered relative position in formal structure, as both hierarchy and formal design have been claimed to shape communication patterns and trust.¹⁸ Finally, we measured perceived behaviors of knowledge sources that might lead knowledge seekers to trust these people to a greater or lesser degree. Butler proposed several conditions likely to lead one person to place trust in another, three of which are particularly relevant to knowledge transfer: the perception of a knowledge source as available, discreet and receptive.¹⁹

Our model of trust and trust promoters in effective knowledge transfer is depicted, at a high level, in Figure 1 below. To test this framework we surveyed a division of a U.S. pharmaceutical company, British bank, and Canadian oil and gas company using egocentric network survey techniques. The survey took approximately 45-60 minutes to complete and was administered in two parts to reduce respondent fatigue and “common method” bias. Constructs were assessed via factor analysis and reliability analysis. Predictive models were assessed via Hierarchical Linear Modeling to capitalize on the non-independence of egocentric network data.²⁰

[Editor’s Note: Insert Figure 1 About Here]

Our findings underscored several managerial concerns in relation to trust. Most importantly, results across all three organizations revealed that trust enables effective knowledge transfer. Competence-based trust allows knowledge seekers to believe that a knowledge source knows what s/he is talking about and so compels seekers to learn from that person. Benevolence-based trust allows knowledge seekers to ask questions without fear of ridicule or damage to reputation and thus allows seekers to learn sufficiently to be able to apply new knowledge.

In addition, we found that these two dimensions of trust mediate the link between strong ties and effective knowledge transfer. In other words, interpersonal trust is the primary reason why close working relationships are effective for knowledge transfer.²¹ This holds important practical implications for managers. Rather than increase communication frequency to promote knowledge transfer, managers might best be served by looking for alternative ways to develop trust in relationships—a point we will return to below. Finally, we found that competence-based trust is especially important (i.e., a moderator) when the knowledge to be transferred is complex or tacit rather than straightforward or explicit. Particularly in work that is complex or ambiguous—problem domains that comprise the bulk of knowledge-intensive work today—trust in the knowledge source’s competence appears critical to the seeker’s ability to absorb new knowledge. Benevolence-based trust, though, benefits both tacit and explicit knowledge exchanges since people who think someone is out to harm them will be suspicious of and resist everything that person says, no matter how simple or complex. Again, these findings hold implications for managers in targeting key projects, initiatives, or kinds of work where taking action to promote competence- or benevolence-based trust is likely to have a significant payoff.

In terms of the cognitive dimension of social capital, we found that both shared vision and shared language uniquely promote both trust dimensions in the knowledge transfer context.

This can be highly important in initiating projects in a way that establishes a commonly held vision of the group's objectives and clarification on unique terminology. For example, one manager we interviewed after the survey described a scenario where a new product development team decided *not* to spend time ensuring that team members shared terminology and expectations. Interestingly, this organization subscribed to a standard approach for setting up and investing in teams early in their lifecycle and even provided a set of tools and exercises to guide new teams through this process. However, for the sake of 'efficiency' this team decided to "get right to work". So what happened?

Fissures in the group appeared early on and within one or two months the situation had escalated to the point of crisis. There were two related problems. First, various group members interpreted the team's mandate differently. Everyone thought they were doing appropriate work but when they met to review progress, people had gone in different directions seemingly without reason. The team members were unaware that they were interpreting the team's directions differently. They thought only that their coworkers were doing bad work or, worse, were pursuing political agendas.

Second, when the team members talked to one another and used the same words, they meant different things to different people. In one almost comical situation a significant lack of trust had developed between two team members—one from the U.S. and one from England—based on different meanings attached to the word *quite*. To the U.S. team member, *quite* was a modifier meaning "a lot of something"—so saying the new software was *quite* effective at a given application meant that it was very effective. In contrast, for the English teammate, saying an application of the software was *quite* effective meant that this part of the program was just getting by, that it was not all that effective. Over time, hearing each other use that one word

differently in discussions with customers, superiors and other team-members led them to believe that each one was posturing. This created a great deal of mistrust in terms of both competence (“Is he blind? How could he say that was ‘quite’ effective?”) and benevolence (“He is trying to make his part of this project look better in the eyes of an important manager!”) of the other person until one of them serendipitously learned the different meanings attached to this word at a cocktail party. This same kind of misinterpretation occurs frequently as people from different functional, educational or ethnic backgrounds place different meanings on different words.

Finally, we found that a knowledge source’s discretion—i.e., the perception that the source will keep things confidential if asked to do so—to be a consistent determinant of both competence- and benevolence-based trust. Interviews with executives following the survey demonstrated that those people, whether knowledge seeker or source, who kept sensitive material to themselves were perceived as more trustworthy. For example, one person indicated he was willing to reveal information that was both more sensitive and more helpful to the knowledge seeker since he knew that the seeker would respect his confidence. In contrast, another indicated that a manager was known to divulge information told to him in confidence. These and other interviewees richly conveyed the need to be comfortable sharing confidential information and to feel secure that conversations would not be shared beyond the norms established by the knowledge seeker and source.

Promoting Trust in Knowledge-Intensive Work

The first phase of our research gave us confidence that trust is important to effective knowledge transfer and insight into ways that it might be created. To provide actionable ideas to managers regarding practices that promote or deplete trust in various settings, we conducted

more than 40 interviews across 20 organizations (See appendix for a high-level description of organizations involved). Our intent was to get as broad a perspective as possible into ways that managers can promote trust so we chose a sampling strategy that provided a breadth of understanding (as opposed to focusing heavily on one or two organizations).

Interviews were semi-structured and lasted approximately an hour. We employed a critical incident technique whereby we grounded the interviewees in a recent project of importance and focused on two points of inquiry. First, how did trust benefit knowledge transfer and the project itself? Second, what distinguished people considered trusted from those not considered trusted? We employed a case-based logic in this phase of the research by doing semi-structured interviews guided by a pre-existing theoretical model.²² Throughout we continually iterated on themes and findings until we emerged with a set of consistent categories of trust builders.²³ Our initial perspectives on behaviors and context promoting trust were informed by relevant literatures on social networks, trust, social exchange, and organizational knowledge/learning.

Several expected themes emerged from the interviews that supported our intuition and survey results. Beyond confirmation of survey findings we also learned of the importance of clarity in communication and consistency between words and actions. Trusted knowledge sources are not only knowledgeable but are also clear and effective communicators. Those who use jargon excessively, exaggerate their point of view, or try to “spin” a topic in a particular direction are often perceived as less trustworthy than people able to articulate their views in an easy-to-understand fashion. Another common theme lay with consistency between word and deed. More trusted people tend to set realistic expectations of what they can accomplish and then almost always deliver on their commitments. Yet, though these behaviors are commonly

considered as signals of trustworthiness, people do not always practice them—and so they warrant renewed attention in day-to-day work.

In addition to the above themes, our interviews gleaned other—perhaps less intuitive—insights into how people determine trustworthiness. We will focus the rest of this section on these signals, which we have synthesized into a set of six strategies for promoting interpersonal trust. (See Table 1 for a summary).

[Editor’s Note: Insert Table 1 About Here]

Highlight knowledge domain boundaries. An often-overlooked but critical skill in business is the ability to accurately assess who knows what.²⁴ This is particularly difficult, though, when prior interactions have been limited or a knowledge seeker does not know much about the problem or knowledge domain they have a question on. In such settings, letting another person influence your thinking is, at some point, a leap of faith based on trust in that person. In the extreme, knowledge seekers might be putting aspects of a critical project in the hands of another if they allow that person to influence their thinking. Less significant but still noteworthy can be the cost of wasted time and effort finding out that a person is not knowledgeable in the areas s/he claims to be.

While demonstrations of competence are clearly an important trustworthiness signal, it is also valuable for knowledge sources to highlight the boundaries of their knowledge. When potential knowledge sources delineate the limits of their knowledge, it adds additional credibility to the topics in which they do claim expertise. One respondent, in describing a trusted coworker, said that this person would not hesitate to turn to someone else as an expert even in front of a room full of people. She was known to answer direct questions by saying, for example, “Joe is an expert on that, why don’t we hear what he has to say.” She was secure and never felt the need to

make up an answer or claim to know more than she did. Our interviewees suggested that when knowledge sources delineated their areas of proficiency, this action served as an important credibility signal and allowed knowledge seekers to learn more efficiently. For example, one woman who worked closely with her supervisor on marketing events indicated:

She has a great track record and seems to always have first-hand experience. But if she doesn't know something, she'll say so. Because she was so open about her strengths and weaknesses, I felt I could trust her when she did give me information or guidance. This is in contrast to someone who I wouldn't trust who never listened or yielded to someone who knows better. A person like that is more interested in appearing right or knowledgeable than in being right or knowledgeable, so I couldn't trust that what he told me was accurate.

Highlighting the boundaries of one's expertise can be problematic in many organizations because the pressure to "know all the answers" often drives people to answer questions with more confidence than they should have. Yet our interviews made it clear that delineating areas of expertise was a behavior that markedly distinguished more from less trusted knowledge seekers. The information seeker in the above example benefited in terms of both efficiency and effectiveness in her search. If her supervisor did not know the answer, the seeker knew that she would say so rather than make something up, send the seeker down the wrong path or give her misguided advice. With the knowledge source secure enough to say, "I don't know", the knowledge seeker could find someone who could help her without delay. She also saved time, because when her supervisor gave her information, she could trust that it was accurate and so did not have to double-check what she received.

In addition, by specifying that they are not knowledgeable in a given area, knowledge sources make themselves vulnerable. By sharing possibly sensitive information, the knowledge source was often seen as, knowingly or unknowingly, signaling willingness to engage in a relationship where vulnerabilities can be made public without exploitation. For example, a manager we interviewed who had significant experience in a government organization was placed in charge of a new department. He clearly did not have the subject matter knowledge of the people reporting to him. Early in his tenure, he made it clear that he did not have this knowledge and did not expect to contribute to the success of the group in this fashion. Rather, he spent time with the group talking about his experience across the agency, and passed along organizational insights that many found quite useful. As a result of these interactions, people we interviewed quickly came to see the new manager as a trusted source.

Step out of your role at work when appropriate. People occupy roles at work that dictate how they “should” act.²⁵ These expectations can create an artificial separation between people that erodes trust. For example, after leaving meetings with their boss, subordinates can wonder if they have just received their supervisor’s honest opinions or the “party” line. Almost all our interviews highlighted the importance of personal connection and learning about nonwork-related commonalities with another person as an important way in which trust begins to develop in a relationship. These commonalities ranged from background (e.g., education, neighborhoods or family status) to values or predispositions (e.g., the kind of work they enjoyed, management philosophies or political leanings) and helped people feel like they related well to each other on more than an instrumental basis. For example, one manager indicated:

I guess it was when I learned that we both had children of similar ages and struggled with issues of balancing work and home. That she is comfortable enough to say these things—share personal concerns, I mean—shows that she is willing to be vulnerable to me in a sense and so trusts me. It also indicates that our relationship is one she values beyond getting work done. So I think both of these things start to accrue when you move beyond strictly work-based discussions...and, for me at least, they are important to being willing to trust someone else.

In many ways, non-work connections made other people seem “real” and therefore approachable and safe. First, these conversations provided an opportunity for individuals to test others’ ability to respect sensitive information. One person indicated that she gives people “trust tests” to see how they handle confidential information. Second, these personal connections created a belief that each person had some level of concern for the other.

In general these “human connections” were often not a product of lengthy or frequent discussions. In contrast to claims regarding the importance of frequency of contact, our interviewees almost universally indicated that what mattered was ensuring a “quality” connection when an exchange did occur. This almost always entailed catching up on a personal basis (in terms of past commonalities discovered or gossip about people they knew in common) as well as on a professional level (in terms of updating on what projects others had been working on, and in several situations discussions of careers in general).

I don't have to get together very often with him to maintain the relationship and trust we have. It might be months between connections, but when we do get

together it is a solid connection, often on both a personal and professional front, where we both know the other is, at some level, interested in helping the other.

Of course, the extent to which people are willing to make disclosures around their personal lives depends on their individual comfort level. Many people may be hesitant to share details of their personal lives with others in the office, either because they feel that such information could be taken out of context, or simply because they wish to maintain a separation between their work and private lives. Yet, establishing some nonwork-related connection seems to pay dividends in promoting interpersonal trust important for knowledge transfer.

Give away something of value. Giving without expecting something in return is a show of trust. As outlined by Peter Blau (1986: p. 8), “social exchange is distinguished from strictly economic exchange by the unspecified obligations incurred in it and the trust both required for and promoted by it.”²⁶ This process of exchange innately hinges on trust as crucial for the provider to take initial action based on a belief that the receiver will respond in like kind at some future point.²⁷ In our interviews it was clear that knowledge seekers often looked for such signals to determine the extent to which they would place benevolence-based trust in someone. When a knowledge source provided access to a limited or sensitive resource, knowledge seekers often took this as a sign that the knowledge source viewed them as “trustworthy.” This, in turn, often promoted a sense of reciprocal trust in the knowledge source.

Two primary examples of these limited or sensitive resources emerged in the interviews. First, sharing tacit, or experiential, knowledge often led to the development of benevolence-based trust. People willing to take the time to talk with a junior employee about the subtleties and

nuances of managing a sensitive account, or dealing with a difficult supervisor, are often exposing themselves on a number of levels. Not only were knowledge sources investing the time to share their knowledge (taking them away from other potential duties), but they were also revealing knowledge that left them open to second-guessing about their past decisions. By imparting this tacit knowledge, the knowledge provider is left vulnerable to having her/his knowledge misappropriated or misunderstood. And they potentially run the risk of having a naïve knowledge seeker misuse their knowledge, only to report back to their own boss that “S/he [knowledge source] told me to do it this way.”

A second important type of assistance was sharing personal networks. Since revealing one’s personal contacts could jeopardize the knowledge source’s reputation and social capital, allowing outsiders to tap into this network was often considered an important trust signal. One woman described her experience as a new consultant and the trust she developed with one of her project managers during an assignment in the financial services industry. To complete this project, she needed to obtain specific information that could only be collected through senior industry executives. One of the project managers shared several personal contacts, which were instrumental in getting her tasks accomplished:

He made his connections at different banks available to us, so we got to speak to people we wouldn’t get to see otherwise. Often project managers take the opportunity to talk to other influential people to build their own political connections. But he was clearly connecting us underlings to try and help us both in getting information as well as in our careers. He would also send us additional data sources with a log-in and password for all kinds of sources that were helpful to us in getting our work done.

In this situation the leader of the project offered his personal network (of individuals and data sources), which was one of the most valuable assets he could have made available. He trusted the new consultant to act appropriately and professionally, despite the potential risks associated with her lack of experience. Through demonstrating trust in the knowledge seeker, this knowledge source was, in return, viewed as highly trustworthy and so benefited in a few ways. The seeker repaid the source's show of confidence both tangibly, with better work products, and intangibly, with loyalty and enthusiasm. Undoubtedly these positive behaviors reinforce each other; i.e., the knowledge source and seeker continued to treat each other with trust and to work productively together.

Welcome and help people refine uncertain or unclear ideas. “Come to me with solutions, not problems” is a spoken or unspoken norm of many leaders in corporate America. Yet some situations are inherently ambiguous, where resolving the problem requires first framing it to make sure that the right problem is being solved.²⁸ Unfortunately we seem to be cognitively hard-wired to dislike uncertainty and have a need to view the world as predictable and controllable.²⁹ Welcoming exploration and potentially ill-formed thoughts and solutions at appropriate junctures, however, can be critical to development of trust in a relationship. Our interviews frequently revealed that people are more likely to seek out others who allow exploration and brainstorming at appropriate points in a project. In many situations, people who are seeking knowledge are not completely sure of the question they are asking, much less have answers to their questions. Knowledge sources who are willing to tolerate the process of inquiry and provide latitude to those who approach them were viewed as more trustworthy. For example,

one of our interviewees was designing a customer-facing web site for his organization. He was able to use his supervisor as a sounding board prior to making the final decisions:

I got help from Ed, so I didn't go too far down the wrong path. He was willing to engage in an incomplete idea—I didn't have to have it all figured out or done before going to talk to him. This was critical to the success of the project. Rather than going and asking for precise information or blessings on my solutions, we jointly crafted important aspects of the project. Because I was able to go to him with partially formed ideas, his own thinking shaped the project early on and had a great deal to do with its success.

Here the final project ended up with a much better result than if the seeker had had to turn to his boss with pre-determined solutions rather than engage in constructive dialogue. He was able to tap into his supervisor's expertise in a way that helped him learn, and the two of them, together, generated a solution. Since the seeker trusted the source not to penalize him for "not knowing," the project's end result was much better than it would have been without this latitude.

Ensure that decisions are fair and transparent. Unfavorable outcomes, particularly in personnel-related matters like promotions, are inevitable in any organization, but disappointed employees will still support management if they trust them.³⁰ "Research indicates that the extent to which performance appraisal procedures follow principles of procedural justice," for example, "has a positive impact on employees' trust in their manager."³¹ While the primary emphasis of our interviews was the relationship between a knowledge seeker and knowledge source, we also found that trust in management "trickled down" to influence trust between employees. The

extent to which management was able to incorporate both fairness (i.e., rules are applied equally to individuals) and transparency (i.e., knowing how and why rules are applied) into decision-making processes played a role in how individuals viewed their relationships with others in the organization.

For example, many of our interviewees focused on promotion and rewards as two areas where standards were not always clear or equally applied across individuals and groups. This lack of equity, or at least transparency, in decisions appeared to permeate an organization and influence the general perception of trustworthiness across a whole range of topics and colleagues. In one organization, a respondent critiqued their organization's promotion system:

There is a tendency to promote who you know rather than bringing in new talent. The result is nepotism. There is so much mistrust in promotion system now that [the organization is] bringing in independent evaluators . People are still suspicious of the outsiders, though, since they were brought in by SOMEBODY. It just seems safer to play your cards close to your chest, not to talk or stick your neck out. You don't get anything but grief if you do.

This interviewee went on to indicate that mistrust in the promotion system led to “an inbred organization” and cast suspicion on all the reward systems, not just promotions. Moreover, he had to spend a lot of time in this environment “decoding” what he heard to find out the truth. Throughout the interviews, promotions and promotion standards were one of the hot buttons for respondents, along with career path, salary and evaluations. When viewed as corrupt or unfair, the result was an environment where employees began to view even inconsequential comments with suspicion. Rather than trusting someone's word, facts or opinion, people felt that

they had to check and double check what was said. Furthermore, by playing cards close to the chest, employees did not engage in discussions or put forth ideas that might not be considered absolutely correct for fear of the consequences.

Hold people accountable for trust. The well-known findings that you get what you reinforce and reward can be applied to trust as well.³² In many companies the common lament is that you cannot measure or assess something as intangible as trust. But several of the organizations we observed are attempting to evaluate and recognize trust as demonstrated by employee behaviors. One interviewee noted that his company clearly articulated the importance of trust in its values:

We have values: service/solutions; personal excellence; integrity; respect and trust; innovation; teamwork. The how you do something is just as important as what you do. Performing well but not acting with integrity or as a good team player will not get you the kudos you might get in a firm that is more “star” oriented. Some people prefer to take shortcuts with honesty, respect and teamwork, but in the longer term these folks end up discrediting their projects and [the company].

This company was willing to spend the time and energy to train everyone in the importance of these values and to work out a comprehensive evaluation process assessing employee behavior in relation to these values. Many companies can say that they value integrity; not as many will put their employees through training; and few of those will formulate a working evaluation system and tie in compensation. This organization did all of these things. As a result

of the extensive “values training,” for example, all employees held each other accountable to the stated values. According to our interviews, both the training and the formalized statements facilitated the values becoming norms of behavior.

Tangible rewards also encourage trustworthy behavior. Exhortations to exhibit trustworthiness while rewarding only individual accomplishment will ultimately result in a more of an individualistic culture than an ethic of teamwork. An organization that wants people to act in a trustworthy manner must reward that behavior while not onerously penalizing any mistakes that are made. In our interviews we heard of several types of evaluation systems addressing trust. In one organization, managers wrote paragraphs about different aspects of an employee’s performance and rated employees on trust-related dimensions. Having several discrete questions gave people ample opportunity to think about their own behavior and evaluate others’. This approach was a signal that interpersonal trust is important to the company and deserves serious consideration. In another firm, trust was simply measured as part of a quantitative assessment. Trust and associated behavior was one of six areas on the evaluation form that managers completed for their direct reports. While not everyone weighted it as one-sixth of the evaluation (some thought it more important, others less), everyone thought that it was significant that trust was mentioned explicitly. In both situations, people felt that management’s effort to recognize demonstrated trustworthiness and associated behaviors had a significant effect on the development of and reliance on interpersonal trust in these organizations.

Conclusion

In today's knowledge-intensive environment, managers need to be able to cut through ever-increasing mounds of data to find the knowledge they need to get their work done. While technological advances can help supplement this search for useful knowledge, numerous research studies have confirmed that people still prefer to get useful information and advice from other people. Corporate leaders and managers do not always like to hear this news, however, because the logical (but painful) implication has always been that—to increase the flow of knowledge in an organization—everyone should start interacting with everyone else more frequently. No one in the corporate world wants more meetings, though, and fortunately our research suggests a more productive alternative: trust. For managers interested in promoting knowledge flow, and with less effort and waste, we find that one key is to develop and nurture interpersonal trust among current and potential knowledge sources.

Our qualitative and quantitative results reveal that there are specific low-cost strategies that managers and others can engage in to promote trust and effective knowledge transfer. For example, we found that people are more likely to trust someone who is seen as discreet, who shares the same vision and use of language, and who is a clear communicator. We also found a set of less obvious behaviors that create a context where trust is more likely to flourish. We have summarized these behaviors as six additional strategies that can be taken to promote trust: (1) highlight knowledge domain boundaries; (2) step out of your role at work when appropriate; (3) give away something of value; (4) welcome and help people refining uncertain or unclear ideas; (5) ensure that decisions are fair and transparent; and (6) hold people accountable for trust. For, by promoting trust among employees and managers, organizations can finally reach their goal of being able to create and share knowledge effectively and efficiently.

Exhibit 1
The Role of Trust in Knowledge Seeking

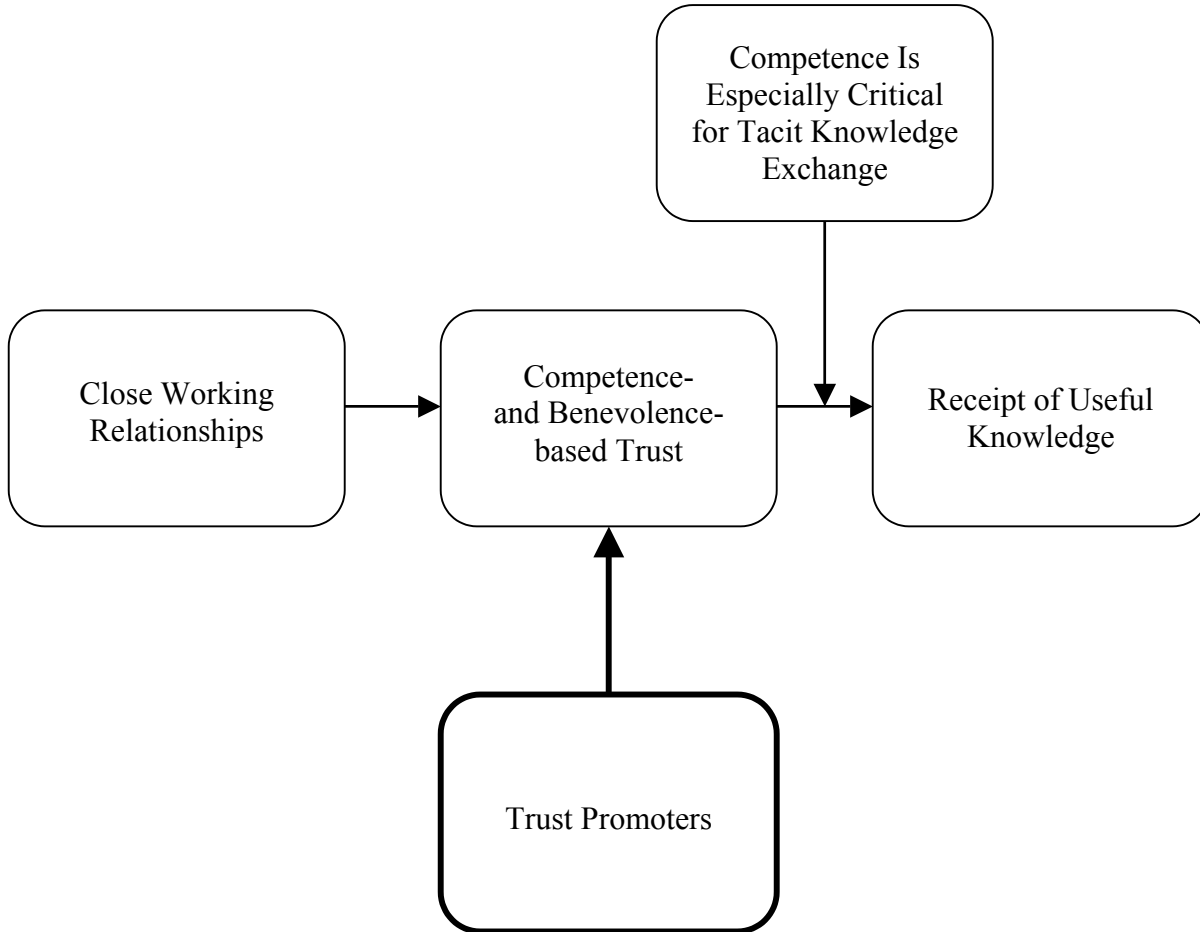


Table 1
Managerial Strategies that Promote Interpersonal Trust

Strategy	Description and Logic	Managerial Actions
1. Highlight knowledge domain boundaries	Being candid about your limitations gives people confidence that they can trust what you say are your strengths. If you claim to know everything, then no one is sure when to believe you.	<ul style="list-style-type: none"> • Make it clear <i>both</i> what you do and don't know. • Admit it when you don't know something rather than posture to avoid embarrassment. • Defer to people who know more than you do about a topic.
2. Step out of your role at work when appropriate	When two people share information about their personal lives, especially about similarities, then a stronger bond and greater trust develops. Nonwork connections make a person seem more "real" and human, and thus more trustworthy.	<ul style="list-style-type: none"> • Create a "human connection" with someone based on nonwork things you have in common. • Maintain a quality connection when you do occasionally run into acquaintances, including discussing nonwork topics. • Don't divulge personal information shared in confidence.
3. Give away something of value	Demonstrating trust and good faith in someone makes that person want to be trusting, loyal, and generous in return.	<ul style="list-style-type: none"> • When appropriate, take risks in sharing your expertise with people. • Be willing to offer others your personal network of contacts when appropriate.

Continued on next page

Table 1—*continued*
 Managerial Strategies that Promote Interpersonal Trust

Strategy	Description and Logic	Managerial Actions
4. Welcome and help people refine uncertain or unclear ideas	People are more willing to trust someone who shows a willingness to collaborate, get involved, and talk things through. In contrast, people are wary of someone who will only answer clear-cut questions or discuss complete solutions.	<ul style="list-style-type: none"> • Avoid being overly critical or judgmental of ideas still in their infancy. • Don't always demand complete solutions from people trying to solve a problem. • Be willing to work with people to improve jointly on their partially formed ideas.
5. Ensure that decisions are fair and transparent	People take their cues from the larger environment. As a result, there is a “trickle down” effect for trust, where the way management treats people leads to a situation where employees treat one another similarly. Thus, fair and transparent decisions on personnel matters translate into a more trusting environment among everyone.	<ul style="list-style-type: none"> • Make sure that people know how and why personnel rules are applied and that the rules are applied equally. • Make promotion and rewards criteria clear-cut, so people don't waste time developing a hidden agenda (or trying to decode everyone else's).
6. Hold people accountable for trust	To make trustworthy behavior become “how we do things here,” managers need to measure and reward it. Even if the measures are subjective, evaluating people's trustworthiness sends a strong signal to everyone that trust is critical.	<ul style="list-style-type: none"> • Explicitly include measures of trustworthiness in performance evaluations. • Resist the urge to reward high performers who do not act with integrity or as good team players. • Keep touting key values such as trust—including both rewarded good examples and punished violations—in multiple forums.

Appendix
Description of the 20 Organizations Participating in the Interviews

CORPORATIONS—13 organizations

- 3 Global 500 ranked pharmaceutical companies
- 3 U.S.-based software companies
- 2 Global 500 ranked financial services companies
- 2 Global energy companies
- A Global 100, U.S. 100 ranked motor vehicle company
- A Global 100, U.S. 100 ranked computer company
- A Global 500, U.S. 100 ranked electronics company

GOVERNMENT/NON-PROFIT—7 organizations

- 2 multi-national lending agencies
 - 2 U.S. Federal transportation-related agencies
 - Another U.S. Federal agency
 - A European government agency
 - A U.S. military organization
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Endnotes

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